

SECTION I: Policy

**SUBJECT: Equipment**

REFERENCES: 1. O.C.G.A, Title 50, Chapter 5, Article 4, Section 140-146  
· DHR Property Procedures Manual  
· DOAS Surplus Disposal Guide

**A. DEFINITION**

Equipment is defined as any item costing \$1000 or more AND having a life expectancy of 3 years or more.

**B. EQUIPMENT ACQUISITION**

1. When the total dollar value of the equipment (whether one item or multi-items) **is less than \$5000**, competitive bidding is not required.
2. When the total dollar value of the equipment is **\$5000 or above**, normal purchasing procedures must be followed. Reference Section IV of the Purchasing Procedures.

**C. EQUIPMENT INVENTORY**

1. Regular Operating Funds are used for
  - (a) Items costing less than \$1000,
  - (b) Items costing \$1000.00 to \$4,999.99 having a useful life of less than three years or
  - (c) Items costing \$5,000.00 or more having a useful life of one year or less.

Items charged to Regular Operating should be charged to the appropriate expense; Supplies & Materials (614.XXX) or Computer Charges (653.661). These items are not required on inventory. They should never be marked as an asset. No decal should be assigned.

**THESE ITEMS ARE NOT CONSIDERED EQUIPMENT.**

2. Equipment is used for expenditures for items of tangible property of a generally nonexpendable nature having an acquisition cost of \$1,000.00 or greater and useful life

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in excess of one year. Items charged to this account must be included on the equipment inventory.

3. Equipment acquired at a cost of \$1000 or more, regardless of funding source, MUST be submitted on a Form 5111, Detailed Equipment Listing (See Attachment #1), to insure the equipment is maintained on the DFCS centralized inventory system. An inventory decal will be issued. A supply of Form 5111, Detailed Equipment Listing, may be obtained by contacting the DFCS Property/Inventory Coordinator at the address listed below.

DFCS Property/Inventory Coordinator  
Business Services Unit 18-295  
Two Peachtree Street, NW  
Atlanta, Georgia 30303

4. Personnel responsible for maintaining inventory records do not approve purchases of equipment or approve invoices for payment.

**D. DISPOSITION of EQUIPMENT**

**NOTE: ANY COMPUTER THAT IS GOING TO BE DISPOSED OF MUST HAVE CLEARANCE FROM SOMEONE AT THE STATE IT OFFICE WHO WILL VERIFY THAT ALL DATA HAS BEEN DELETED BEFORE DISPOSITION.**

**EQUIPMENT STATUS CHANGE FORM, Form# 5086 -**

A supply of Form 5086, Equipment Status Change Form, may be obtained by contacting the DFCS Property/Inventory Coordinator at the address listed below.

DFCS Property/Inventory Coordinator  
Business Services Unit 18-295  
Two Peachtree Street, NW  
Atlanta, Georgia 30303

The authorized methods for disposal of State Surplus Personal Property are as follows:

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- **TRANSFER** - Transfer of state surplus personal property to another agency
- **SURPLUS** - Turn in property to Surplus Distribution Centers
- **DESTRUCTION** - Authorization for destruction of valueless surplus property
- **SALE** - Sale to the highest bidder by competitive bid (confidential bids and public auctions)

1. **TRANSFER**

A Form 5086 must be completed listing all item(s) to be transferred, and forwarded to the DFCS Property/Building Coordinator.

Once a transfer has been approved, the releasing County Department must insure that the items have been deleted from County Department inventory. The receiving County Department should insure that transferred items appear on County Department inventory.

2. **SURPLUS**

The definition of State Surplus Personal Property is defined as any item that is basically non-consumable and non-expendable which is no longer needed by the owning agency.

To surplus any item, a Form 5086 must be completed listing all item(s) and forwarded to the DFCS Property/Building Coordinator.

DFCS Property/Inventory Coordinator  
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Approval must be received before items are transported to the surplus warehouse. Before delivery to surplus warehouse, an appointment is necessary for delivery of items. Approved paperwork must accompany the items transported to the surplus warehouse. It is the responsibility of the releasing agency to transport their surplus personal property to the distribution center. Each item will be checked against the accompanying paperwork to ensure accuracy. A copy of the accompanying paperwork will be given to the driver as a receipt. This will serve as the Agency's deletion authority. The Surplus Warehouses are located at:

- a. State Agency for Surplus Property  
1535 Southern Field Road  
Americus, Georgia 31709  
Phone: (229)931-2407
- b. State Agency for Surplus Property  
2072 North Bibb Drive  
Tucker, Georgia 30084-6233  
Phone: (770) 414-6468
- c. State Agency for Surplus Property  
713 Kite Road  
Swainsboro, Georgia 30401  
Phone: (478)-289-2623

These centers serve as centralized inspection sites for state agencies. DHR Surplus and Supply also disposes of property by redistribution to state agencies, local governments, eligible non-profit organizations, public auctions and confidential bids. DHR Surplus and Supply provides customer assistance with on site disposal.

### 3. **DESTRUCTION**

- a. Criteria for the destruction of surplus property:  
Property has no re-utilization or resale value.
- b. A Form 5086 must be completed listing all item(s) to be destroyed and forwarded to the DFCS Property/Building Coordinator.
- c. Approval must be received before items can be destroyed.
- d. After approval for destruction is received, complete a Destruction of Surplus Property - Affidavit. (See Attachment #3)
- e. Destroy the property by either burning it or with a heavy instrument.
- f. If items are being sent to Surplus and Supply, complete Transfer Form and Invoice. (See Attachment #2).
- g. Forward a copy of completed destruction affidavit, Transfer Form and Invoice to the DFCS Property/Building Coordinator.

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h. Destruction of property must be witnessed by a second party. (See Attachment # 3)

4. **SALE OF SURPLUS EQUIPMENT BY COUNTY DEPARTMENT**

Telephone bids can be conducted on all items that have a current market value of less than \$5,000. The following guidelines should be used to conduct a telephone bid:

- a. A Form 5086 must be completed listing all of the equipment items to be sold and forwarded DFCS Property/Building Coordinator.
- b. Approval must received before items can be sold.
- c. Contact four bidders by phone, at least two of these should be small/minority business. A list of prospective bidders can be provided by DFCS Property/Building Coordinator.
- d. Provide each bidder with the same information. It is suggested that a written script be prepared before calling bidders.
- e. Record all information on the Telephone Inquiry Record Form (See Attachment #4)
- f. Invite bidders to view the property.
- g. Provide each bidder with a Telephone Bid Terms and Conditions Form (See Attachment #5). This sheet is to be completed by the County Department and signed by the bidder indicating agreement with the Terms and Condition of the telephone bid.

h. **NOTIFY THE HIGHEST BIDDER AND PROVIDE THE BIDDER WITH THE FOLLOWING INFORMATION:**

- 1. A cashier's check is made payable to Department of Administrative Services (DOAS), Surplus and Supply. (Do not accept cash or personal checks).
- 2. The bidder must pay the Sales Tax rate applicable to the county in which the sale was

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conducted, unless the bidder has a (11 digit) tax exempt number.

3. Notify the bidder of the last date that the property can be removed.
4. After payment has been received, complete the Bill of Sale and give the successful bidder a copy of the Bill of Sale. (See Attachment # 6).
5. Retain a copy of the Bill of Sale for your files.
6. A copy of the Telephone Inquiry Record, Bill of Sale, the cashier's check for the full amount and the Transfer Form is to be forwarded to DOAS Surplus and Supply.

5. **STOLEN**

A Form 5086 must be completed listing all item(s) stolen and forwarded to the DFCS Property/Building Coordinator. In all cases of stolen property, an incident report and police report should be attached to Form 5086 when submitting.

6. **MISSING**

A Form 5086 must be completed listing all item(s) missing and forwarded to the DFCS Property/Building Coordinator.

In all cases of missing property, an incident report should be attached to Form 5086.

7. **DESCRIPTION CHANGE**

A Form 5086 must be completed to change the description of an equipment item and forwarded to the DFCS Property/Building Coordinator.

Consult DFCS Property/Building Coordinator for information regarding what types of changes are permitted and required.

8. **OTHER**

Example: Trade-In

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A Form 5086 must be completed to specify what type equipment action is being requested and forwarded to the DFCS Property/Building Coordinator.

For any other equipment action requests not covered in these instructions, consult the DFCS Property/Building Coordinator.

Approval must be received prior to trade-in of equipment. Complete the Equipment Status Change Form (Form 5086, Attachment #2). Check "Other" and specify "Trade-In" under the action request section. List decal number, description and condition. In the description section, type in the amount allowed for trade-in item.

SECTION II: Attachments (MOST of these are multiple part forms and require hard copies instead of electronic versions.)

- Attachment #1 - Form 5111, Detailed Equipment Listing
- Attachment #2- Form 5086, Equipment Status Change Form/Transfer Form and Invoice (revised 5/94)
- Attachment #3 - Destruction of Surplus Property Affidavit
- Attachment #4 - Telephone Inquiry Record
- Attachment #5 - Telephone Bid Terms and Conditions
- Attachment #6 - Bill of Sale

E. **HOW TO COMPLETE FORM 5086** - Equipment Status Change Form/Transfer Form and Invoice (See Attachment #2)

The Form 5086 should be completed as follows:

1. **Action Request** - Check type of action e.g., transfer, surplus, destruction, stolen, etc.
2. **Requesting/Releasing Organization** (Transferred From)- Complete name and address of owning agency.
3. **Receiving Organization** (Transferred To) - Complete name and address of receiving agency.
4. **Quantity** - Quantity of each line item listed.
5. **Decal No.** - Complete with decal number (if available).
6. **Description** - Complete description of the surplus item including make, model, serial number, inventory number, etc. **NOTE: All property with an original acquisition cost of \$1,000 or more must include the cost of equipment on the transfer form in this field.**
7. **Condition** - Present condition of item using the following criteria:
  - a. Good - functionally operational.
  - b. Fair - limited repairs necessary.
  - c. Poor - major repairs necessary.
  - d. Scrap - item has no value except for basic material content.
8. **Funding Information** - There are four different categories of funded property. The following are the classification and definition of each type of funding. The response to this column determines the final disposition of funds when an item is sold. Select the proper funding classification of each line item and enter one of the following columns:

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- a. **None** - this is assigned to identify property that has no Federal funds involved and your agency is not authorized to receive proceeds from its sale.
  - b. **Funded** - this term is assigned to identify property that has no federal funds.
  - c. **Funded (\$)** - this term is assigned to identify property that has no federal funds involved but your agency is authorized to receive proceeds from the sale and your agency has established a dollar value for each item.
  - d. **Federally Funded (Percentage)** - this term is assigned to identify the percentage of federal funding used during the original acquisition of that item and should be shown in this column.
9. **Final Disposition** - This column should be left blank.
10. **Approved By** - Reserved for the signature of Surplus & Supply Section personnel only.
11. **Released By** - Signature of releasing agency's designated coordinator or a responsible individual assigned to the owning agency. Also, include individual's title and date signed.
12. **Received By** - Signature of receiving agency's designated coordinator or an individual listed on the selector database, including title and date.